"THE CONGRESSIONAL FRONT.

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S.1161 - H R 2861.

Remember those cryptic numbers. You will hear more about them as time goes on. They stand for Senate Bill 1161 and House Resolution 2861. They are identical. The Senate bill was introduced by Senator Wagner of New York and Senator Murray of Montana. The House Resolution was introduced by Representative Dingell of Michigan. It is a long bill, packed with social security provisions. It is considered as the American version of the so-called Beveridge Plan introduced in Great Britain. It has been referred to as the "cradle-to-the-grave" plan, although the bill does not go so far as the Beveridge Plan. It contains lots of controversy. It has generated thousands of letters and lots of literature. It contains 13 basic provisions. A review of these provisions will serve to clarify certain misunderstandings which have arisen.

UNITED SOCIAL SECURITY SYSTEM.

This measure proposes a unified social security system. To that end, it contains a series of amendments to existing social security laws: (1) It proposes a system of Federal unemployment offices to provide jobs for veterans and war workers. (2) It provides for permanent disability insurance with cash and lump sum benefits to a worker, his widow, or dependents. (3) It provides for increased old-age benefit allowances. (4) It extends the social security coverage to include domestic servants, farm workers and employees of non profit institutions. (5) It changes the method heretofore employed in calculating the average wage on which benefits are based. (6) It extends old-age insurance benefits to include self-employed farmers, professional men and small businessmen. (7) It provides wage-credits out of the Federal Treasury for those now in the armed forces so that their social security credits are kept up to date. (8) It provides for unemployment allowances to those in the armed forces on the termination of military service. (9) It provides for a consolidation of the Social Security Trust Funds with a 6% employer-employee tax, a 7½% tax on self employed, and a 3½% tax on public employees who are covered by social security. (10) It provides for the creation of a Federal Social Security Advisory Council. (11) It provides for variable grants-in-aid to states for making provision for the aged, for dependent children, for the blind, and the needy.

FEDERALIZED UNEMPLOYMENT COMPENSATION.

One of the highly controversial provisions is the complete federalization of the unemployment compensation system. At the present time, such compensation is handled as a kind of dual State-Federal system under which it is supervised by the Federal government but actually operated by the states. If it were completely federalized, it would mean that the states would be taken out of the picture and the entire system operated and managed by the Federal government. It is regarded as a further invasion of the field of State rights by the Federal government and another step toward complete centralization of the governmental process.

FEDERAL MEDICAL CARE.

The provision which has generated the most controversy however is that which relates to Federal Medical Care. It provides for the imposition of an additional 3% payroll tax on wages which would be used to provide medical care, including hospital costs, doctor's bills, nursing and laboratory costs etc. The technical aspects would be administered by the Surgeon General of the U.S. Health Service. Patients would select their own doctors and hospitals but remuneration would be made out of the Medical Fund on a "fee basis" which would be determined by law or regulation. It is this particular feature of the bill which has provoked a storm of controversy on the ground that it constitutes a virtual socialization of medicine, similar to that of certain countries in Europe.

STATUS.

Altho these bills were introduced more than seven months ago, no hearings have been held either by the Senate Finance Committee or the House Committee on Ways and Means to which they have been referred. It remains for Congress to develop testimony on these items and then take action. Just when that will happen has not been determined.